made in the Budget (2005) that NABARD will finance VKCs under Rural Infrastructure Developmetn Fund (RIDF) to State Governments. Guidelines for project formulation have been issued by NABARD.

(c) A State Level Steering Committee has been formed by the Government of Orissa for smooth and effective implementation of RIDF assisted VKCs. Director, Information Technology has been designated as Liaison Officer and the Department of IT has been made the Nodal Department. However, no project proposal has so far been received by NABARD from Government of Orissa.

Making Indian textile industry globally competitive

118. SHRI MANOJ BHATTACHARYA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have recently decided to aodpt a number of fresh measures to make Indian textile industry globally competitive following the abolition of Multi-Fibre Arrangement *w.e.f.* January, 2005.

(b) if so, the details thereof;

(c) by when the full import of these measures will be perceptible; and

(d) whether steps have also been taken to protect the interest of labour in the textile industry and if so the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) to (c) The Government has been taking a number of steps from time to time to make Indian textile industry globally competitive. Some of the important initiatives taken are given as under:-

(i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

(ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernization and upgradation of the sector.

(iv) To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernisation of ginning and pressing sector.

(v) To Provide the industry with world class infrastructure facilities for setting up their textile units, a new scheme namely, scheme for Integrated Textile Parks' has been launched by merging existing two schemes *i.e.* Textile Centres Infrastructure Development Scheme (TCIDS) and Apparel Parks for Exports Scheme (APES). Government of India support under the scheme by way of grant or equity shall be limited to 40% of the proejct cost subject to a ceiling of Rs. 40 crores.

(vi) 'Apparel Park for Exports Scheme (APES)' was launched with the obejctive of imparting a focused thrust for setting up apparel units of international standards at potential growth centres, and to give a fillip to exports. Under APES, 12 projects have been sanctioned with an estimated support from Government of India of Rs. 191.70 crores. Against the support of Rs. 191.70 crores, the Government has released Rs.59.46 crores so far.

(vii) For upgrading infrastructure facilities at important textile centres, the 'Textile Centre Infrastructure Development Scheme (TCIDS)' was launched. Under TCIDS, 18 projects have been sanctioned with an estimated support from Government of India of Rs. 270.80 crores. Of this, the Government has released Rs. 52.57crores.

(viii) The fiscal duty strcuture has been generally rationalized to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption.

(ix) The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(x) For the speedy modernisation of the textile processing sector, Government has introduced, *w.e.f.* 20.4.2005, a credit linked capital subsidy scheme @ 10% under TUFS, in addition to the existing 5% interest reimbursement.

(xi) The National Institute for Fashion Technology (NIFT), its seven branches, and the Apparel Training and Design Centres (ATDCs) are running various courses/programmes to meet the skilled manpower

requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

(xii) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.

(d) To protect the interests of labour in the textile industry, a number of steps have been taken by the Government such as 'Mahatma Gandhi Bunkar Bima Yojana', 'Health Insurance Scheme for Handloom Weavers', 'Group Insurance Scheme', 'Group Workshed Scheme', 'Powerloom Service Centres' etc.

Removing specific duties on textile product under SAFTA

119. SHRI C. PERUMAL: Will the Minister of TEXTILES be pleased to state:

(a) whether textile industry has requested for removing specific duties, only in phases, on textile products under the South Asian Free Trade Agreement (SAFTA);

(b) if so, the reaction of Government thereto;

(c) whether it is proposed to abolish specific duties on products imported to India on demand from SAFTA member countries;

(d) if so, whether any study has been conducted on impact of such move on domestic companies;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) to (f) Based on interactions with textile industry and a dipstick study by M/s. KSA Technopak, the Government has offered for removal of specific duties on import of certain textile products, in phases under South Asian Free Trade Agreement (SAFTA) in the ongoing negotiations. Base on threat of import from SAFTA countries to India, the study has identified the textile items with specific duty (on 6-digit HS Classification) into four categories namely,